

## AGENDA ITEM



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Presentation and Appropriate Direction Regarding CalPERS Medical Costs and Options for Consideration

**MEETING DATE:** Tuesday, July 6<sup>th</sup>, 2004

**PREPARED BY:** Risk Manager

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**RECOMMENDED ACTION:** That Council hears the presentation regarding CalPERS Medical Costs and Options for Consideration and provides any direction they deem appropriate.

**BACKGROUND INFORMATION:** The City recently received medical insurance rates from CalPERS which will become effective January 1st, 2005. While rates do vary by provider, the increase applicable to members of Blue Shield is 23.71% - most City employees (84%) are members of this HMO.

These increases present the City with additional expenditures for active City employees in calendar 2005 that are approximately \$724,332 greater than calendar 2004. A primary factor driving this increase is CalPERS new practice of "regional rating". This effectively serves to drive rates up in northern California while lowering them in southern California. CalPERS medical program members in the Los Angeles area will realize rate decreases of as much as 8.7%. The HMO premium increase for State employees will increase, but only by 11.4%, not the 23.71% facing northern California cities.

The City of Lodi's benefits broker, ABD Insurance & Financial Services, has located a potential alternative medical insurance provider, PacifiCare, which the City may wish to consider. PacifiCare's rates for active City employees in calendar 2005 represent additional expenditures for active City employees in calendar 2005 that are approximately \$333,798 greater than calendar 2004. This is \$390,534 less than the CalPERS increase. Meetings were conducted on 6/28/04 and 7/1/04 where representatives of the City's various bargaining groups and City employees were invited to learn about this potential change and ask questions. Representatives from ABD and PacifiCare will be present at this Council meeting to answer any questions Council members may have.

Should the City of Lodi decide to withdraw from the CalPERS Medical Program, a resolution to this effect must be adopted by City Council by Monday August 16<sup>th</sup>, 2004. The scheduled Council meeting prior to this deadline is August 4<sup>th</sup>, 2004.

**FUNDING:** Not Applicable

  
Kirk J. Evans  
Risk Manager

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APPROVED:

  
H. Dixon Flynn, City Manager

filed 7-6-04

*Market Survey Analysis*

*Prepared for*

***City of Lodi***

*Presented By*

*Terri Ezaki & Lynette Kaminski*

*Effective January , 2005*

*Sacramento Employee Benefits Division*

**ABD Insurance & Financial Services**  
License #OD58513

INSURANCE BROKERS • EMPLOYEE BENEFIT CONSULTANTS

# CITY OF LODI

## MEDICAL - Cost Comparison (Actives) - Effective January 1, 2005

		PERS - CURRENT 1/1/04-12/31/04	PERS - RENEWAL; Effective 1/1/05-12/31/05	OPTION: PACIFICARE; Effective 1/1/05-12/31/05
	# Covered	KAISER (HMO) (\$10 OV, Rx \$5/15, \$10 chiro)	KAISER (HMO) (\$10 OV, Rx \$5/15, \$10 chiro)	KAISER <sup>1</sup> (HMO) (\$10 OV, Rx \$5/15)
<b>MEDICAL</b>				
Employee	15	\$305.42	\$354.69	\$354.69
Employee + 1 Dependent	6	\$610.84	\$709.38	\$709.38
Employee + 2 or more Dep.	15	\$794.09	\$922.19	\$922.19
<b>MONTHLY PREMIUM</b>		<b>\$20,157.69</b>	<b>\$23,409.48</b>	<b>\$23,409.48</b>
<b>ANNUAL PREMIUM</b>		<b>\$241,892</b>	<b>\$280,914</b>	<b>\$280,914</b>
<b>Annual \$ Increase over Current</b>		<b>N/A</b>	<b>\$39,021</b>	<b>\$39,021</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>16.13%</b>	<b>16.13%</b>
		<b>BLUE SHIELD</b> (\$10 OV, Rx \$5/15/45)	<b>BLUE SHIELD</b> (\$10 OV, Rx \$5/15/45)	<b>PACIFICARE</b> (\$10 OV, Rx \$5/15/30, \$10 chiro)
Employee	67	\$315.22	\$389.96	\$348.68
Employee + 1 Dependent	78	\$630.44	\$779.92	\$697.34
Employee + 2 or more Dep.	205	\$819.57	\$1,013.90	\$906.53
<b>MONTHLY PREMIUM</b>		<b>\$238,305.91</b>	<b>\$294,810.58</b>	<b>\$263,592.73</b>
<b>ANNUAL PREMIUM</b>		<b>\$2,859,671</b>	<b>\$3,537,727</b>	<b>\$3,163,113</b>
<b>Annual \$ Increase over Current</b>		<b>N/A</b>	<b>\$678,056</b>	<b>\$303,442</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>23.71%</b>	<b>10.61%</b>
		<b>PERSCARE</b> (PPO)	<b>PERSCARE</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U52 - Care)
Employee	0	\$544.77	\$619.93	\$407.38
Employee + 1 Dependent	0	\$1,089.54	\$1,239.86	\$814.74
Employee + 2 or more Dep.	0	\$1,416.40	\$1,611.82	\$1,059.17
<b>MONTHLY PREMIUM</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Annual \$ Increase over Current</b>		<b>N/A</b>	<b>\$0</b>	<b>\$0</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>N/A</b>	<b>-25.22%</b>
		<b>PERS CHOICE</b> (PPO)	<b>PERS CHOICE</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U53 - Choice)
Employee	26	\$349.41	\$369.74	\$332.05
Employee + 1 Dependent	0	\$698.82	\$739.48	\$664.08
Employee + 2 or more Dep.	0	\$908.47	\$961.32	\$863.31
<b>MONTHLY PREMIUM</b>		<b>\$9,084.66</b>	<b>\$9,613.24</b>	<b>\$8,633.30</b>
<b>ANNUAL PREMIUM</b>		<b>\$109,016</b>	<b>\$115,359</b>	<b>\$103,600</b>
<b>Annual \$ Increase over Current</b>		<b>N/A</b>	<b>\$6,343</b>	<b>-\$5,416</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>5.82%</b>	<b>-4.97%</b>
		<b>PORAC</b> (PPO)	<b>PORAC</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U53 - Choice)
Employee	0	\$399.00	\$399.00	\$332.05
Employee + 1 Dependent	0	\$733.00	\$748.00	\$664.08
Employee + 2 or more Dep.	4	\$931.00	\$950.00	\$863.31
<b>MONTHLY PREMIUM</b>		<b>\$3,724.00</b>	<b>\$3,800.00</b>	<b>\$3,453.24</b>
<b>ANNUAL PREMIUM</b>		<b>\$44,688</b>	<b>\$45,600</b>	<b>\$41,439</b>
<b>Annual \$ Increase over Current</b>		<b>N/A</b>	<b>\$76</b>	<b>-\$3,249</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>2%</b>	<b>-9.13%</b>
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$271,272</b>	<b>\$331,633</b>	<b>\$299,089</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$3,255,267</b>	<b>\$3,979,600</b>	<b>\$3,589,065</b>
<b>\$ Increase over Current</b>		<b>N/A</b>	<b>\$724,332</b>	<b>\$333,798</b>

Participation in the medical plans is based on current medical elections.

Rates above are based on the census data provided by CITY OF LODI.

Final rates are subject to actual enrollment, plan design(s) selected, underwriting guidelines and approval.

<sup>1</sup> Kaiser rates outside of PERS are not confirmed.

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6/29/2004

# CITY OF LODI

## MEDICAL - Cost Comparison - Early Retirees (Under 65) - Effective January 1, 2005

		PERS - CURRENT; 1/1/04-12/31/04	PERS - RENEWAL; Effective 1/1/05-12/31/05	OPTION: PACIFICARE; Effective 1/1/05
	# Covered	KAISER (HMO) (\$10 OV, Rx \$5/15, \$10 chiro)	KAISER (HMO) (\$10 OV, Rx \$5/15, \$10 chiro)	KAISER <sup>1</sup> (HMO) (\$10 OV, Rx \$5/15)
<b>MEDICAL</b>				
Employee	3	\$305.42	\$354.69	\$354.69
Employee + 1 Dependent	3	\$610.84	\$709.38	\$709.38
Employee + 2 or more Dep.	1	\$794.09	\$922.19	\$922.19
<b>MONTHLY PREMIUM</b>		<b>\$3,542.87</b>	<b>\$4,114.40</b>	<b>\$4,114.40</b>
<b>ANNUAL PREMIUM</b>		<b>\$42,514</b>	<b>\$49,373</b>	<b>\$49,373</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>N/A</b>	<b>0.00%</b>
		<b>BLUE SHIELD</b> (\$10 OV, Rx \$5/15/45)	<b>BLUE SHIELD</b> (\$10 OV, Rx \$5/15/45)	<b>PACIFICARE</b> (\$10 OV, Rx \$5/15/30, \$10 chiro)
Employee	13	\$315.22	\$389.96	\$348.68
Employee + 1 Dependent	21	\$630.44	\$779.92	\$697.34
Employee + 2 or more Dep.	6	\$819.57	\$1,013.90	\$906.53
<b>MONTHLY PREMIUM</b>		<b>\$22,254.52</b>	<b>\$27,531.20</b>	<b>\$24,616.16</b>
<b>ANNUAL PREMIUM</b>		<b>\$267,054</b>	<b>\$330,374</b>	<b>\$295,394</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>23.71%</b>	<b>10.61%</b>
		<b>PERSCARE</b> (PPO)	<b>PERSCARE</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U52 - Care)
Employee	0	\$544.77	\$619.93	\$407.38
Employee + 1 Dependent	0	\$1,089.54	\$1,239.86	\$814.74
Employee + 2 or more Dep.	0	\$1,416.40	\$1,611.82	\$1,059.17
<b>MONTHLY PREMIUM</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>N/A</b>	<b>-25.22%</b>
		<b>PERS CHOICE</b> (PPO)	<b>PERS CHOICE</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U53 - Choice)
Employee	1	\$349.41	\$369.74	\$332.05
Employee + 1 Dependent	3	\$698.82	\$739.48	\$664.08
Employee + 2 or more Dep.	1	\$908.47	\$961.32	\$863.31
<b>MONTHLY PREMIUM</b>		<b>\$3,354.34</b>	<b>\$3,549.50</b>	<b>\$3,187.60</b>
<b>ANNUAL PREMIUM</b>		<b>\$40,252</b>	<b>\$42,594</b>	<b>\$38,251</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>5.82%</b>	<b>-4.97%</b>
		<b>PORAC</b> (PPO)	<b>PORAC</b> (PPO)	<b>PACIFICARE</b> (PPO Plan U53 - Choice)
Employee	1	\$399.00	\$399.00	\$332.05
Employee + 1 Dependent	3	\$733.00	\$748.00	\$664.08
Employee + 2 or more Dep.	0	\$931.00	\$950.00	\$863.31
<b>MONTHLY PREMIUM</b>		<b>\$2,598.00</b>	<b>\$2,643.00</b>	<b>\$2,324.29</b>
<b>ANNUAL PREMIUM</b>		<b>\$31,176</b>	<b>\$31,716</b>	<b>\$27,891</b>
<b>% Increase over Current:</b>		<b>N/A</b>	<b>1.73%</b>	<b>-10.54%</b>
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$31,749.73</b>	<b>\$37,838.10</b>	<b>\$34,242.45</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$380,997</b>	<b>\$454,057</b>	<b>\$410,909</b>
<b>% of increase over CURRENT</b>		<b>N/A</b>	<b>N/A</b>	<b>7.85%</b>

Participation in the medical plans is based on current medical elections.

Rates above are based on the census data provided by CITY OF LODI.

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# CITY OF LODI

## MEDICAL - CalPERS Medicare HMO Cost Comparison

		PERS - CURRENT	PERS - CURRENT; Effective 1/1/05-12/31/05	PACIFICARE -- Rates Not Yet Available
	# COVERED	KAISER (HMO Option)	KAISER (HMO Option)	KAISER <sup>1</sup> (HMO Option)
Employee	1	\$273.86	\$255.97	
Employee + 1 Dependent	4	\$547.72	\$511.94	
Employee + 2 or more Dependents	0	\$821.48	\$767.91	
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$2,464.74</b>	<b>\$2,303.73</b>	<b>\$0.00</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$29,576.88</b>	<b>\$27,644.76</b>	<b>\$0.00</b>
<b>% Change over Current</b>		<b>N/A</b>	<b>-6.53%</b>	<b>-100.00%</b>
		Supplement / Managed Care	Supplement / Managed Care	Supplement / Managed Care
	# COVERED	BLUE SHIELD (HMO Option)	BLUE SHIELD (HMO Option)	PACIFICARE - Senior Supplement Plan F
Employee	10	\$319.97	\$287.78	
Employee + 1 Dependent	17	\$639.94	\$575.56	
Employee + 2 or more Dependents	0	\$959.91	\$863.34	
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$14,078.68</b>	<b>\$12,662.32</b>	<b>\$0.00</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$168,944.16</b>	<b>\$151,947.84</b>	<b>\$0.00</b>
<b>% Change over Current</b>		<b>N/A</b>	<b>-10.06%</b>	<b>-100.00%</b>
		Supplement / Managed Care	Supplement / Managed Care	Supplement / Managed Care
	# COVERED	PERS Care PPO (PPO Option)	PERS Care PPO (PPO Option)	PACIFICARE - Senior Supplement Plan F (PPO Option)
Employee	5	\$336.07	\$289.32	
Employee + 1 Dependent	5	\$672.14	\$578.64	
Employee + 2 or more Dependents	0	\$1,008.21	\$867.96	
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$5,041.05</b>	<b>\$4,339.80</b>	<b>\$0.00</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$60,492.60</b>	<b>\$52,077.60</b>	<b>\$0.00</b>
<b>% Change over Current</b>		<b>N/A</b>	<b>-13.91%</b>	<b>-100.00%</b>
		Supplement / Managed Care	Supplement / Managed Care	Supplement / Managed Care
	# COVERED	PERS Choice PPO (PPO Option)	PERS Choice PPO (PPO Option)	PACIFICARE - Senior Supplement Plan F (Indemnity)
Employee	6	\$305.67	\$279.60	
Employee + 1 Dependent	7	\$611.34	\$559.20	
Employee + 2 or more Dependents	0	\$917.01	\$838.80	
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$6,113.40</b>	<b>\$5,592.00</b>	<b>\$0.00</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$73,360.80</b>	<b>\$67,104.00</b>	<b>\$0.00</b>
<b>% Change over Current</b>		<b>N/A</b>	<b>-8.53%</b>	<b>-100.00%</b>
		Supplement / Managed Care	Supplement / Managed Care	Supplement / Managed Care
	# COVERED	PORAC (PPO Option)	PORAC (PPO Option)	PACIFICARE - Senior Supplement Plan F (Indemnity)
Employee	0	\$351.00	\$351.00	
Employee + 1 Dependent	1	\$701.00	\$701.00	
Employee + 2 or more Dependents	0	\$1,049.00	\$1,049.00	
<b>TOTAL MONTHLY PREMIUM</b>		<b>\$701.00</b>	<b>\$701.00</b>	<b>\$0.00</b>
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$8,412.00</b>	<b>\$8,412.00</b>	<b>\$0.00</b>
<b>% Change over Current</b>		<b>N/A</b>	<b>0.00%</b>	<b>-100.00%</b>

NOTE: Quotes assume that all retirees over 65 have Medicare A & B.

<sup>1</sup> Kaiser rates outside of PERS are not confirmed.

# CITY OF LODI

## MEDICAL - PERS HMO Basic Benefits (Actives & Early Retirees)

PLAN DEDUCTIBLES & MAXIMUMS	PERS	
	BLUE SHIELD, KAISER, & WESTERN HEALTH ADVANTAGE (HMO BASIC PLAN)	PACIFICARE (HMO SMP)
Annual Deductible (individual / family)	None	None
Co-Insurance	100%	100%
Annual Maximum Co-Payments (individual / family)	\$1,500 / \$3,000 (Kaiser & WHA)	\$1,500 / \$3,000
Adult Routine Physical Exams	\$10 co-pay/visit	\$10 co-pay/visit
Physician Office Visits	\$10 co-pay/visit	\$10 co-pay/visit
Room & Board (semi-private)	100%	100%
Emergency Room Services (waived if admitted)	\$50 max. co-pay/visit	\$35 max. co-pay/visit
Ambulance Services	100%	100%
Home Health Care	100%	100%
Skilled Nursing Facility	100% (100 days/calendar year max)	100% (100 days/calendar year max)
Short Term Rehabilitation	Hospital: 100% Office & Home Visit: \$10/visit	Hospital: 100% Office & Home Visit: \$10/visit
Durable Medical Equipment	100%	100%
Prescription Drug Co-Pay (Retail Pharmacy)	\$5 Generic/ \$15 Brand / \$45 Non-Formulary <sup>1</sup> (30 days)	\$5 Generic/ \$15 Brand / \$30 Non-Formulary (30 days)
Prescription Drug Co-Pay (Mail Order- 90 Days Supply)	\$10 Generic / \$25 Brand / \$75 Non-Formulary <sup>1</sup> \$1,000 Out of pocket annual max per person	\$10 Generic / \$25 Brand / \$45 Non-Formulary \$1,000 copay annual max for mail order
In-Patient Mental Health	100%, up to 30 days/year	100%, up to 30 days/year
Out-Patient Mental Health Severe: Non-Severe:	\$10 co-pay, unlimited \$20 co-pay; 20 visits per year (Kaiser: \$10 copay/visit, 20 visits/year)	\$10 co-pay, unlimited \$10 co-pay; 20 visits per year
Lifetime Maximum	Unlimited	Unlimited
Hearing Aids	\$1,000 maximum benefit per 36 months	\$1,000 maximum benefit per 36 months
Chiropractic Care	\$10 co-pay/visit(Kaiser & WHA) 20 visits/per calendar yr	Can be Included as a Rider Benefits TBD

*This is merely a summary of benefits for comparison purposes. Please refer to the plan proposal for details.*

# CITY OF LODI

## MEDICAL - CalPERS PPO (Basic Benefit Summary) - PERS Choice and Equivalents

PLAN DEDUCTIBLES & MAXIMUMS	PACIFICARE		
	PERS Choice	PPO U52 (like PERS Care)	PPO U53 (like PERS Choice)
Annual Deductible (applies to services except where noted)	PPO & Non-PPO: Individual: \$500 / Family: \$1,000	PPO & Non-PPO: Individual: \$500 / Family: \$1,000	PPO & Non-PPO: Individual: \$500 / Family: \$1,000
Co-Insurance	PPO: 80% Non-PPO: 60%	PPO: 90% Non-PPO: 60%	PPO: 80% Non-PPO: 60%
Out of Pocket Maximum	Individual: \$3,000 / Family: \$6,000	Individual: \$2,000 / Family: \$4,000	Individual: \$3,000 / Family: \$6,000
Physician Office Visits	PPO: \$20 co-pay Non-PPO: 60%	PPO: \$20 co-pay Non-PPO: 60%	PPO: \$20 co-pay Non-PPO: 60%
Adult Routine Physical Exams	PPO: 100% Non-PPO: 60%	PPO: \$20 co-pay / Non-PPO: 60% \$300 maximum/cal year	PPO: \$20 co-pay / Non-PPO: 60% \$300 maximum/cal year
Hospital Room & Board (semi-private)	PPO: 80% Non-PPO: 60%	PPO: 90% Non-PPO: 60% after \$250/admission	PPO: 80% Non-PPO: 60%
Emergency Room Services (waived if admitted)	PPO & Non-PPO: \$50 co-pay/visit, then 80%	PPO & Non-PPO: \$50 co-pay/visit, then 90%/60%	PPO & Non-PPO: \$50 co-pay/visit, then 80%/60%
Ambulance Services	PPO: 80% Non-PPO: 80%	PPO: 80% Non-PPO: 80%	PPO: 70% Non-PPO: 70%
Home Health Care	PPO: 80% / Non-PPO: 60% Up to \$6,000 max/yr	PPO: 90% / Non-PPO: 60% Up to 100 visits/cal year	PPO: 80% / Non-PPO: 60% Up to 100 visits/cal year
Skilled Nursing Facility	PPO: 80% / Non-PPO: 60%, 1st 10 days PPO: 70% / Non-PPO: 60%, next 170 days	PPO: 90% / Non-PPO: 60% Up to 180 days/cal year	PPO: 80% / Non-PPO: 60% Up to 100 days/cal year
Short Term Rehabilitation	PPO: 80% / Non-PPO: 60% (80% for occupational) Up to \$5,000 lifetime for speech/physical therapy	PPO: 90% / Non-PPO: 60% Up to \$2,000/cal year	PPO: 80% / Non-PPO: 60% Up to \$5,000 while insured
Durable Medical Equipment	PPO: 80% / Non-PPO: 60% Up to \$3,000 max	PPO: 90% / Non-PPO: 60% Up to \$3,000/cal year	PPO: 80% / Non-PPO: 60% Up to \$3,000 max/cal year
Prescription Drug Co-Pay (Retail Pharmacy)	Participating Pharmacy: \$5 Generic / \$15 Brand / \$45 Non-Formulary (30 days)	Participating Pharmacy: \$5 Generic / \$15 Brand / \$30 Non-Formulary (30 days)	Participating Pharmacy: \$5 Generic / \$15 Brand / \$30 Non-Formulary (30 days)
Prescription Drug Co-Pay (Mail Order)	\$10 Generic / \$25 Brand / \$75 Non-Formulary (90 days) \$1,000 Out of pocket annual max per person	\$10 Generic / \$25 Brand / \$45 Non-Formulary (90 days) \$1,000 copay max/cal year for mail order	\$10 Generic / \$25 Brand / \$45 Non-Formulary (90 days) \$1,000 copay max/cal year for mail order
Mental Health In-Patient	PPO: 80% / Non-PPO: 60% MH: 20 days SA: 20 days SA: \$12,000 lifetime max for all services	PPO: 90% Non-PPO: 60% after \$250/admission MH: 15 days/cal year SA: \$5,000 max/cal year, 3 days/admission	PPO: 80% Non-PPO: 60% after \$250/admission MH: 15 days/cal year SA: \$5,000 max/cal year, 3 days/admission
Out-Patient	PPO: 80% / Non-PPO: 60% MH & SA: 24 visits	PPO: 90% / Non-PPO: 60% MH: 20 visits; SA: 24 visits	PPO: 80% / Non-PPO: 60% MH: 20 visits; SA: 24 visits
Lifetime Maximum (per member)	\$2,000,000	Unlimited	\$2,000,000
Hearing Aids	PPO: 80% / Non-PPO: 60% \$1,000 max benefit per 36 months	PPO: 90% / Non-PPO: 60% \$2,000 max benefit while insured	PPO: 90% / Non-PPO: 60% \$2,000 max benefit while insured
Chiropractic Care	PPO: 80% / Non-PPO: 60% Up to 15 visits per year	PPO: 90% / Non-PPO: 60% Up to 20 visits per year	PPO: 80% / Non-PPO: 60% \$1,000 calendar year maximum benefit

*This is merely a summary of benefits for comparison purposes. Please refer to the plan proposal for details.*



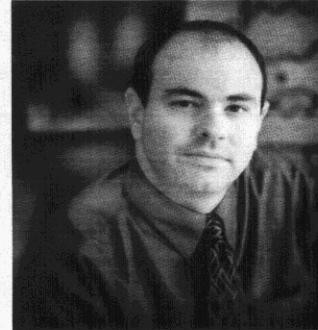


Filed 7-6-04



**PacifiCare®**

# *PacifiCare*®



# Win With PacifiCare

A Presentation for the City of Lodi

June 29, 2004

# PacifiCare®

## Health Systems

### PacifiCare®

#### Agenda

- Company Overview
- Honors & Recognition
- PacifiCare's Value Proposition
  - Health Care Cost Management
  - Data Driven Outcomes
  - Product Leadership
  - Provider Network
- Our Winning Formula
- Questions & Answers

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### PacifiCare®

**PacifiCare = largest purchaser of health care services in the western U.S.**



**A Fortune 200 company with**

- ~\$11 billion in revenue
- ~2.4 million commercial lives
- ~800,000 Medicare+Choice lives
- ~9 million specialty lives

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### PacifiCare®

#### Honors & Recognition

NCQA Accreditation: 90 percent of PacifiCare members are in *Excellent*-accredited plans

Only MCO to receive Paul Ellwood Award from FACCT for efforts in developing a consumer-driven health care system

Awards from medical community for programs related to our Quality Initiatives

Selected by local providers for being the best performer among HMOs  
e-business innovator

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**PacifiCare®**

**Navigating the Future will Require Delivery on Four Value Propositions**

<b>HCC MANAGEMENT</b> Long term health care cost management with leading network, medical and disease management programs	<b>DATA DRIVEN OUTCOMES</b> Leader in collection and dissemination of quality information which reduces costs and improves clinical & service outcomes
<b>PRODUCT LEADERSHIP</b> Industry leading product positioning, price and network offerings. Total Solution approach to product and network offerings	<b>SUPERIOR SERVICE</b> Superior service to members (consumers), providers and employers, which enhances loyalty via innovative process and technology platforms

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**PacifiCare®**

**Healthcare Cost Management**

<b>HCC MANAGEMENT</b> Long term health care cost management with leading network, medical and disease management programs	<b>DATA DRIVEN OUTCOMES</b> Leader in collection and dissemination of quality information which reduces costs and improves clinical & service outcomes	Health & Disease Management Care Management Cost Management
<b>PRODUCT LEADERSHIP</b> Industry leading product positioning, price and network offerings. Total Solution approach to product and network offerings	<b>SUPERIOR SERVICE</b> Superior service to members (consumers), providers and employers, which enhances loyalty via innovative process and technology platforms	

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**PacifiCare®**

**Disease Management – Spectrum Of Needs**

<b>Catastrophic</b>	<b>Catastrophic Care Management</b> Complex case management
<b>Special Populations</b>	<b>Special Population Care</b> Frail members, ER frequent users, Pre-catastrophic care, Terminally ill members
<b>Chronically Ill</b>	<b>Chronic Disease Management</b> CHF, CAD/stroke, COPD, ESRD, Diabetes, Depression, AMI
<b>Acutely Ill</b>	<b>Acute Episode Management</b> In-/Out-pt. Medical Management, Transitional, Continuity of Care
<b>Well</b>	<b>Preventive Health Management</b> Preventive care/Risk reduction, Health improvement, Member education

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PacifiCare®

Care Management

Special Population Care

- Frail Member-Coordinating fragmented needs

- End of Life Patients-Compassionate care

- Transplant Care-Narrow national network of benchmark quality facilities and services

Catastrophic Case Management

- Coordination of complex services

- Integration of multiple providers of care

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PacifiCare®

Health Management Programs

Taking Charge of Diabetes

Taking Charge of Depression

Taking Charge of Your Heart Health

Free & Clear Stop Smoking

Pregnancy to Preschool

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PacifiCare®

Data Driven Outcomes

BCS  
MANAGEMENT

DATA DRIVEN  
OUTCOMES

PRODUCT  
LEADERSHIP

SUPERIOR  
SERVICE

QUALITY INDEX® Profile

PAAX

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# PacifiCare®

## Health Systems

**PacifiCare®**

### QUALITY INDEX® Profile

Effective consumer information tool

Effective provider management tool

Expanded metrics for 2001:

- Staying healthy, appropriate care, patient safety, affordability, service & satisfaction

2001:

- QUALITY INDEX® Profile for Women & enhanced core
- QUALITY INDEX® Profile

2002:

- Hospital QUALITY INDEX® Profile

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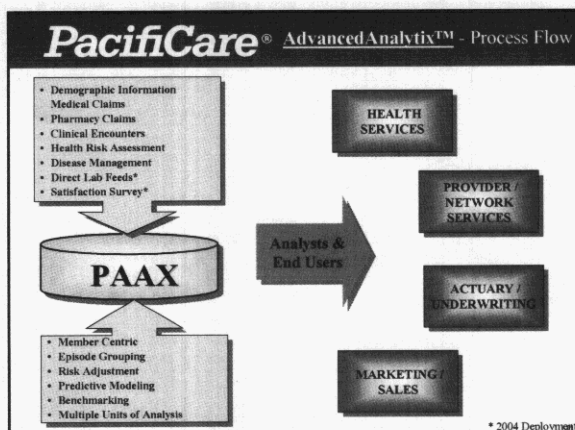
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**PacifiCare®**

### PacifiCare Positioned as Consumer Health Organization to Execute "Product Leadership" Through:

- Expanded Product Portfolio - Array of Medical Choices that Increase Consumer Engagement and Access
- Robust HMO Cost-Sharing and Buy-Down Options
- National PPO with Complete ASO Capabilities
- Self-Directed Health Plan
- Tiered/Narrow Network Products
- Front-End Decision Support/ Quality Index® profiles
- Integrated Disease Management
- Healthy Options

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# PacifiCare®

## Health Systems




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**PacifiCare®**  
**Industry Leading Products**

- Women's Health Solutions
- Latino Health Solutions
- 24 Hour Health Information Program
- Health Credits
- PacifiCare Perks Discount Programs
- PacifiCare Behavioral Health
- Prescription Solutions®

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**PacifiCare®**  
**A Solution for Caregivers**

More than just "resource and referral"

Centralized and nationwide field-based expertise and resources

Caregiver team assists with needs assessment, resource review and coordination and follow up

- Saves employee time and energy, reduces stress and anxiety and improves decision-making

Employer-sponsored

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## PacifiCare®

### 24-Hour Health Information Program

24-Hour Nurse Line and Audio Library:  
1-866-PHS-HEALTH (1-866-747-4325)

Interactive Web health content

Live chat with Health Information Specialists

Personal/Family Health Record

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## PacifiCare®

### PacifiCare Perks<sup>SM</sup> Discount Programs

Healthy Moms & Kids  
Fitness & Weight Management  
Pharmacy & Personal Care  
Complementary & Alternative Care  
Vision & Hearing  
Healthy Home  
Child Safety  
Personal Safety

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## PacifiCare®

### HealthCredits<sup>SM</sup>

New value-added program designed to help lower  
health care costs

Available to all PacifiCare commercial medical members at  
no additional premium cost

Encourages and rewards employees who actively participate  
in:

- PacifiCare's VirtualHealthClub<sup>SM</sup>
- Completing a Health Risk Assessment
- Enrolling in health and disease management programs

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**PacifiCare®**

**Women's Health Solutions<sup>SM</sup>**

A comprehensive suite of more than 35 programs and services to support women in their critical role

Available at no additional premium cost

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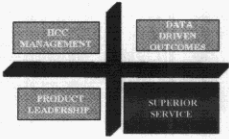
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**PacifiCare®**

**PacifiCare Focused on "Superior Service" - "Delighting the Customer" Through:**



- Enhanced Provider Service
- Expanded Customer Service Hours (7AM To 8PM)
- New Member Welcome Call Program
- "First Call" Resolution Focus
- Customer Service Associates - Quality Incentive Program
- Expanded Web Portals, Linking Quality Index, Disease Management Programs, Provider Directories
- Customer Service Pledge To Provide Outstanding Service

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**PacifiCare®**

**Excellent Customer Service**

Dedicated Account Management Team in Sacramento

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graph TD
    PaulTalcott["Paul Talcott  
Director, Sales & Service  
Sacramento/Fresno"] --> HeidiDuncan["Heidi Duncan  
Sr. Business Manager"]
    HeidiDuncan --> KurtMasters["Kurt Masters  
Sr. Account Manager"]
    HeidiDuncan --> TonjaBrent["Tonja Brent  
Sales Associate"]
    KurtMasters --> SusanBlair["Susan Blair  
Sr. Account Manager"]
    SusanBlair --> LoriAlwood["Lori Alwood  
Assoc. Acct. Manager"]
    TonjaBrent --> GavinSeefeldt["Gavin Seefeldt  
Admin. Assoc."]
    
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**PacifiCare®**

**Efficient, Consumer-Friendly Web Site**

HMO Provider Directory

Formulary

QUALITY INDEX® Profiles

Taking Charge of Your Health

HMO Member Portals

"Contact Us" area

Latino Specific Website

✓ Request an ID Card

✓ View a Benefit Plan Summary

✓ Request a PCP Change

✓ Access Commonly Requested Forms

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**PacifiCare®**

**Strong Provider Partnerships**

Comprehensive Network

Network Stability

Express Referral Program

Ready Reply

Local Network Management staff

San Joaquin Provider contracts:

- Medical groups - Capitated,
- Hospitals - Fee for Service

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**PacifiCare®**

**Central Valley HMO Providers**

**Medical Groups:**

Medcore Medical Group Medical Group

Delta IPA

Sutter Gould Medical Foundation - San Joaquin & Modesto

Central Valley Medical Group

**Hospitals:**

St. Josephs, Dameron, Memorial & Doctors Hospitals (Manteca, Modesto)

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# **PacifiCare®**

*Health Systems*

## **PacifiCare®**

### **Our Winning Formula**

Excellent Customer Service

Strong Provider Partnerships

Cost Management and Accountability

Unique Health Management Programs

Industry Leading Products

Committed to Long Term Partnership

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## **PacifiCare®**

**At PacifiCare we believe,**

***“Caring is good.  
Doing something is better.”***

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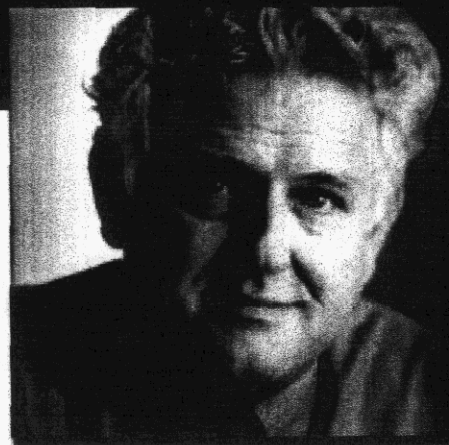
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# FINANCIAL SUMMARY

## 1st QUARTER 2004



### Summary

PacifiCare reported net income of \$67 million, driven by an 8% year-over-year increase in revenues, the addition of 35,000 new commercial members since the prior quarter and a 130 basis point improvement in the commercial MLR. Medicare+Choice membership grew sequentially for the first time in 3 years. The company raised full-year EPS guidance from \$2.95-\$3.05 to \$3.07-\$3.17, which translates into a 5.5% increase in net income guidance. Additionally, estimated 2004 commercial membership growth was raised from 3-5% to 5-6%.

- **Reported Net Income** = \$67 million, which is up 45% from Q103 after excluding \$25 million in favorable reserve adjustments that benefited the first quarter last year.
- **Reported EPS** = \$0.71, which was \$0.08 ahead of the average Wall Street estimate.
- **Consolidated Medical Loss Ratio (MLR)** rose by 30 basis points over Q103 to 85.1%. The commercial MLR was down 130 basis points, but the M+C MLR was up 160 basis points as expected by management, reflecting a more sustainable level compared to last year's unusually low MLR. The MLRs were all within the range of previous 2004 guidance.
- **SG&A Ratio** increased 30 basis points, to 12.5%, compared to the first quarter of 2003, primarily due to increased stock-based compensation expense.
- **Cash Flow From Operations** was \$164 million, excluding the effect of the early receipt of the January '04 CMS payment, which was 2.4 times net income in the quarter. Cash flow in excess of net income is generally an indicator of the strength of the quarterly results.
- **Specialty and Other Income (primarily Prescription Solutions®):**
  - Increased 28% compared with the same quarter last year.
  - Unaffiliated membership at Prescription Solutions, PacifiCare's pharmacy benefit management company, was up approximately 35% (630,000) from the first quarter in the prior year.
- **Balance Sheet:**
  - The debt-to-capital ratio = 24%. Excess statutory capital, which the rating agencies look at, stands at more than \$600 million.
  - Reserves for claims increased \$66 million during the quarter, however days claims payable (DCP) decreased .7 days to 40.6 days. Excluding the capitated portion of our business that doesn't require reserves, our reserves were 69.5 days.

**PacifiCare®**

May 5, 2004

## **PacifiCare®**

- Fortune 500 company
- In the S&P MidCap 400
- \$11 billion in annual revenues
- Approximately 3 million members in eight U.S. states and Guam
- Seven of the company's health plans have "Excellent" ratings from the National Committee for Quality Assurance (NCQA). More than 99 percent of total health plan membership is covered under a plan with an "Excellent" NCQA rating. Additionally, PacifiCare of California is the only statewide plan with an "Excellent" rating.

*Information contained in this document is summarized from actual results for the period indicated. Complete financial results and other information about PacifiCare's operations are included in the company's most recent filings with the SEC, including Form 10Q as of March 31, 2004 and Form 10K as of December 31, 2003, available on the PacifiCare Web site at [www.pacificare.com](http://www.pacificare.com) or the Securities and Exchange Commission Web site at [www.sec.gov](http://www.sec.gov).*

PacifiCare products and services are offered by one or more of the following PacifiCare family of companies: Health plan products and services are offered by PacifiCare of Arizona, Inc.; PacifiCare of California; PacifiCare of Colorado, Inc.; PacifiCare of Nevada, Inc.; PacifiCare of Oklahoma, Inc.; PacifiCare of Oregon, Inc.; PacifiCare of Texas, Inc.; PacifiCare of Washington, Inc.; PacifiCare Dental of Colorado, Inc.; PacifiCare Behavioral Health of California, Inc.; PacifiCare Health Insurance Company of Micronesia, Inc.; and PacifiCare Dental (in California). Indemnity insurance products (including PPO products) offered in California are underwritten by PacifiCare Life and Health Insurance Company. Indemnity insurance products (including PPO products) offered in Arizona, Colorado, Nevada, Washington, Oregon, Texas and Oklahoma are underwritten by PacifiCare Life Assurance Company. Other products and services are offered by PacifiCare Health Plan Administrators, Inc.; PacifiCare Southwest Operations, Inc.; RxSolutions, Inc.; SeniorCo, Inc.; and PacifiCare Behavioral Health, Inc. PacifiCare® is a federally registered trademark of PacifiCare Life and Health Insurance Company.

CM-504-64869.5  
PEW1181-003 Rev. 5/04

**PacifiCare®**



*PacifiCare®*



## Public Sector Health Plan Options



# The PacifiCare Value

## Women's Health Solutions<sup>SM</sup>

Women's Health Solutions<sup>SM</sup> reflects PacifiCare's commitment to improving the health and health care experience of women and the people they care about. Among the 30 value-added programs associated with Women's Health Solutions<sup>SM</sup> are Pregnancy to Preschool, 24-Hour Health Information program, and Menopause: Understanding Your Options. Together, these products and services reflect an integrated approach to help you juggle multiple roles, save time and money, and keep yourself and your family healthy.

## Convenient Access (PacifiCare SignatureValue<sup>SM</sup>)

For those who have purchased an HMO Plan, our new physician networks offer you access to a large number of Primary Care Physicians (PCP) and hospitals. Plus, Express Referrals<sup>®</sup> gives you access to a broad range of specialists in 15 different treatment areas. Your PCP can refer you directly to a specialist with no prior approval. It's fast, easy and convenient.

## Extended Customer Service Hours

Our team of knowledgeable Customer Service Associates, including Spanish-speaking representatives, is available to help you with prompt answers to your questions. We have extended hours Monday through Friday, from 7 a.m. to 9 p.m. (PST) to better serve your needs. Call us toll free at 1-800-531-3341 or 1-800-442-8833 (TDHI).

## Web Site

Visit **[www.pacificare.com](http://www.pacificare.com)** for interactive Web health information, access to our regularly updated doctor directory, information on the Prescription Solutions<sup>®</sup> Mail Service Pharmacy program or to view our online Formulary. Also available is a Resource Center featuring the online version of our member newsletter, informational tools on understanding your benefits, health tips, resource links and much more.



## A Solution for Caregivers

PacifiCare designed A Solution For Caregivers to help lighten the burden of caregiving so your employees can remain focused, satisfied and productive at work. This comprehensive program provides an array of expert support through:

- Centralized information and research services;
- Coaching and support;
- A national network of credentialed, licensed and insured geriatric care managers who are available by phone or for in-home consultations;
- Resource analysis and coordination to eliminate time-consuming legwork. Your employees remain in charge of the caregiving situation, but they are relieved of the burden of assessing what's needed, tracking down services and coordinating the details.

## National Committee for Quality Assurance (NCQA)

PacifiCare of California has achieved Excellent Accreditation – the highest status – from the National Committee for Quality Assurance.



## QUALITY INDEX® Profile

PacifiCare's QUALITY INDEX® profile, QUALITY INDEX® profile for Women and QUALITY INDEX® for Hospitals are the first-ever public reports on participating provider groups and hospitals, offering you an easy-to-use tool to make more informed decisions.

## 24-Hour Health Information Program

The PacifiCare 24-Hour Health Information program is a value-added program combining two features: **Interactive Web Health** content with an online chat feature staffed by Health Information Specialists and **24-Hour Health Information Audio Library** with **Nurse Line** available at **1-866-PHS-HEALTH (1-866-747-4325)** or **1-800-877-8044** if you are a hearing-impaired caller to the Nurse Line.



# The PacifiCare Value

## Health & Wellness

In addition to offering care when you're ill, we're here for you when you're well, and we have many programs designed with you in mind! For example, we offer specialized Health Management programs to help improve or maintain your health on topics such as smoking cessation, diabetes and heart health.

## PacifiCare Perks<sup>SM</sup>

This members-only program offers discounts (through vendor arrangements) from 5 percent to 25 percent on selected health-related products and services – at no additional health plan premium. Here's just a sampling of what's available to you at a discount:

- Child Safety offers discounts on a variety of products, including nontoxic fun and safe wooden toys, beds and bedding, baby furniture, cribs and more.
- Healthy Home offers discounts on products including dehumidifiers, air purifiers, water filters, emergency kits and more.
- Pharmacy & Personal Care offers discounts on hundreds of over-the-counter pharmacy and personal care products, such as pain relievers, cold and cough remedies, children's vitamins and much more.
- Healthy Moms & Kids offers discounts on Safe Beginnings<sup>®</sup> home safety products, Gymboree<sup>®</sup> Play and Music Programs, breastfeeding accessories and a rebate on a ClearPlan Easy<sup>™</sup> Fertility Monitor.
- Fitness & Weight Management offers discounts to health clubs, diet and weight reduction programs and Spa Wish gift certificates.
- Complementary & Alternative Care offers discounts on products and services including herbal and mineral supplements, acupuncture, massage therapy, yoga props, skin care products and more.
- Vision & Hearing offers discounts on vision care services, contact lenses, eyeglass frames and lenses, and hearing exams, products and services.

To learn how to access your discounts through PacifiCare Perks<sup>SM</sup>, please visit our Web site at [www.pacificare.com](http://www.pacificare.com) or call Customer Service at 1-800-531-3341 or 1-800-442-8833 (TDHI).

\* This program's intent is to provide general information regarding common health questions or conditions. If you have a specific question relating to a condition or medical course of treatment for yourself or others, please consult your physician. If you believe you need emergency services, call 911 or go directly to the nearest medical facility for treatment.

PacifiCare Perks<sup>SM</sup> services and/or products are administered by PacifiCare Health Plan Administrators, a subsidiary of PacifiCare Health Systems. If your current PacifiCare coverage includes benefits for the products/services offered at a discount through the PacifiCare Perks<sup>SM</sup> program, discounts do not apply. Vendor participation and actual, usual & customary charges may vary on a location-by-location basis. Discount does not apply to sales tax or shipping charges and cannot be combined with any other discounts. Certain items may be excluded from discount. PacifiCare does not endorse or guarantee products listed.



# PacifiCare SignatureValue<sup>SM</sup> (HMO) Plan

## General Features

	Basic Plan 10 (SMP)
<b>Calendar Year Deductible</b>	0
<b>Maximum Benefits</b>	Unlimited
<b>Annual Copayment Maximum</b>	\$1,500/Individual, 2x family maximum
<b>PCP Office Visits</b>	\$10 Copayment
<b>Specialist Office Visits</b>	\$10 Copayment
<b>Hospitalization</b>	<i>Paid in full</i>
<b>Emergency Services</b>	\$35 Copayment, waived if admitted as an inpatient
<b>Urgently Needed Services</b> (Medically Necessary services required outside of your Service Area)	\$35 Copayment, waived if admitted as an inpatient

## Inpatient Benefits

<b>Alcohol, Drug or other Substance Abuse or Addiction</b> ( <i>detoxification only</i> )	<i>Paid in full</i>
<b>Bone Marrow Transplants</b>	<i>Paid in full</i>
<b>Cancer Clinical Trials<sup>1</sup></b>	<i>Paid at contracted rate</i> Balance (if any) is the responsibility of the Member
<b>Hospice Care</b>	<i>Paid in full</i>
<b>Hospital Benefits</b>	<i>Paid in full</i>
<b>Mastectomy/Breast Reconstruction</b>	<i>Paid in full</i>
<b>Maternity Care</b>	<i>Paid in full</i>
<b>Newborn Care</b>	<i>Paid in full</i>
<b>Physician Care</b>	<i>Paid in full</i>
<b>Reconstructive Surgery</b>	<i>Paid in full</i>
<b>Rehabilitation Care</b>	<i>Paid in full</i>
<b>Skilled Nursing Care</b> (100-day Calendar Year limit)	<i>Paid in full</i>
<b>Voluntary Interruption of Pregnancy</b> (Medical/medication and surgical) ■ 1st trimester ■ 2nd trimester (12–20 weeks) ■ After 20 weeks	\$10 Copayment \$10 Copayment Not covered (unless mother's life is in jeopardy)

<sup>1</sup>Services require Preauthorization from PacifiCare.

<sup>2</sup>This Copayment applies regardless of whether this service is performed as an inpatient or on an outpatient basis.

<sup>3</sup>Percentage Copayment amounts are based upon PacifiCare's contracted rate.





# PacifiCare SignatureValue<sup>SM</sup> (HMO) Plan

## Outpatient Benefits

## Basic Plan 10 (SMP)

**Alcohol, Drug or Other Substance Abuse or Addiction (detoxification only)**

Paid in full

**Allergy Testing/Treatment (Serum is not covered unless an allergy rider was purchased by your employer)**

\$10 Copayment

**Ambulance**

Paid in full

**Cancer Clinical Trials<sup>1</sup>**

Paid at contracted rate  
Balance (if any) is the responsibility of the Member

**Corrective Appliances/Prosthetics**

Paid in full

**Durable Medical Equipment**

Paid in full

**Family Planning**

- Vasectomy
- Tubal ligation<sup>2</sup>
- IUD device
- Removal of Norplant
- Depo-Provera injection
- Depo-Provera medication  
(limited to one every 90 days)

\$10 Copayment  
\$10 Copayment  
\$10 Copayment  
\$10 Copayment  
\$10 Copayment  
\$10 Copayment

**Hearing Screening**

\$10 Copayment

**Hemodialysis**

\$10 Copayment

**Home Care**

Paid in full

**Hospice Care**

Paid in full

**Immunizations**

\$10 Copayment

**Infertility Services**

50% cost of Copayment<sup>3</sup>

**Infusion Therapy**

Paid in full

**Injectable Drugs**

Paid in full

**Laboratory**

Paid in full

**Maternity Care, Tests and Procedures**

Paid in full

**Crisis Intervention**

\$20 Copayment up to 20 visits per Calendar Year

**Oral Surgery Services**

Paid in full

**Outpatient Rehabilitation Therapy  
(Physical, Occupational and Speech Therapy)**

\$10 Copayment

**Outpatient Surgery**

Paid in full

**Periodic Health Evaluations**

\$10 Copayment

**Physician Care**

- PCP
- Specialist
- OB/GYN

\$10 Copayment  
\$10 Copayment  
\$10 Copayment

## Outpatient Benefits (continued)

### Basic Plan 10

Vision Refraction	Paid in full
Vision Screening	\$10 Copayment
Well-Baby Care	Paid in full
Well-Woman Care	\$10 Copayment

### Supplemental Rider Options

Chiropractic (through ASHN)	\$10 Copayment up to 20 visits per Calendar Year (CT1)
Hearing Aid Services	Audiological exam - paid in full Hearing aid expenses - \$1,000 coverage every 36 months for hearing aids and ear molds (HA7)

## Mental Health and Chemical Dependency Services

### MPC

Inpatient Mental Health Services	Paid in full Up to 30 days per Calendar Year
Outpatient Mental Health Services	\$10 Copayment Up to 20 visits per Calendar Year
Inpatient Treatment - Chemical Dependency Services	Paid in full
Outpatient Treatment - Chemical Dependency Services	\$10 Copayment Outpatient - Up to 20 visits per Calendar Year
Inpatient Services for Severe Mental Illness	Paid in full
Outpatient Services for Severe Mental Illness	\$10 Copayment

## Pharmacy Benefit Options

### 3CB

Generic Formulary	\$5 retail	\$10 mail order
Formulary Brand Name	\$15 retail	\$25 mail order
Non-Formulary	\$30 retail	\$45 mail order

\$1,000 Copayment annual maximum per Calendar Year per Member for mail order supply of up to 3 Prescription Units or up to 90 days.



# PacifiCare SignatureOptions<sup>SM</sup> (PPO) Plan Options

## General Information

	PPO Plan U53		PPO Plan U52	
	Participating Provider	Non-Participating Provider	Participating Provider	Non-Participating Provider
<b>Policy Maximum While Insured</b>	\$2,000,000		Unlimited	
<b>Calendar Year Deductible</b>				
■ Individual		\$500		\$500
■ Family Maximum		\$1,000		\$1,000
<b>Coinsurance Maximum</b>				
■ Individual		\$3,000		\$2,000
■ Family Maximum (2x Individual)		\$6,000		\$4,000

## Hospital and Facility Services

<b>Additional Deductibles (per occurrence)</b>				
■ Inpatient Services	Not applicable	\$250	Not applicable	\$250
■ Outpatient Surgical Services	Not applicable	\$250	Not applicable	\$250
■ Emergency Room Services (waived if admitted)	\$50 per visit		\$50 per visit	
■ Failure to obtain Preauthorization of Services	Not applicable	\$500	Not applicable	\$500
<b>Inpatient Hospital and Facility Services</b>	80% after Deductible	60% after Deductibles	90% after Deductible	60% after Deductibles
<b>Transplant Services</b>	80% after Deductible	Not covered	90% after Deductible	Not covered
	Maximum benefit while insured: ■ \$5,000 Donor Maximum ■ Covered under Policy Maximum up to \$2 million	Not covered	Maximum benefit while insured: ■ \$5,000 Donor Maximum ■ Covered under Policy Maximum	Not covered
<b>Skilled Nursing Facilities</b>	80% after Deductible	60% after Deductibles	90% after Deductible	60% after Deductibles
	Maximum benefit while insured: Up to 100 days Inpatient per Calendar Year		Maximum benefit while insured: Up to 180 days Inpatient per Calendar Year	
<b>Hospice Care</b>	80% after Deductible	60% after Deductibles	90% after Deductible	60% after Deductibles
	Maximum benefit while insured: \$10,000 Maximum Benefit while insured		Maximum benefit while insured: \$10,000 Maximum Benefit while insured	
<b>Outpatient Surgical and Facility Services</b>	80% after Deductible	60% after Deductibles	90% after Deductible	60% after Deductibles



## Outpatient Provider Services

	PPO Plan U53		PPO Plan U52	
	Participating Provider	Non-Participating Provider		
<b>Physician Office Visits<sup>(1)</sup></b> (services include the detection and treatment of an Injury or Sickness during a Physician Office Visit including associated covered diagnostic X-ray and Laboratory Services)	100% after \$20 Copayment	60% after Deductible	100% after \$20 Copayment	60% after Deductible
■ Preventive Care for children, including immunizations (through age 18) ■ Mammogram Screening ■ Breast and Pelvic Exams ■ Prostate Cancer Screening ■ Detection of Osteoporosis	(Participating Outpatient lab and X-ray in conjunction with a Physician office visit covered at 100%) except as noted in footnote 1.		(Participating Outpatient lab and X-ray in conjunction with a Physician office visit covered at 100%) except as noted in footnote 1.	
<b>Periodic Health Evaluations</b> (age 19 or over)	100% after \$20 Copayment	60% after Deductible	100% after \$20 Copayment	60% after Deductible
	(Participating Outpatient lab and X-ray in conjunction with a Physician office visit covered at 100%) except as noted in footnote 1.		(Participating Outpatient lab and X-ray in conjunction with a Physician office visit covered at 100%) except as noted in footnote 1.	
	\$300 Combined Maximum per Calendar Year		\$300 Combined Maximum per Calendar Year	
<b>Maternity Care</b> Prenatal, Postnatal and Childbirth Expenses	\$20 Copayment for initial visit, then 80% Coinsurance after Deductible	60% after Deductible	\$20 Copayment for initial visit, then 90% Coinsurance after Deductible	60% after Deductible
■ Physician Services <sup>3</sup> ■ All X-ray Services <sup>3</sup> ■ All Laboratory Services <sup>3</sup> ■ Diagnostic Testing <sup>3</sup>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible

## Other Outpatient Provider Services

<b>Ambulance</b> (Medically Necessary transport)	70% after Deductible		80% after Deductible	
<b>Chemical Dependency<sup>1,2</sup></b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
<b>Inpatient Services</b>	Detoxification up to 3 days per admission		Detoxification up to 3 days per admission	
	\$5,000 Inpatient Maximum per Calendar Year		\$5,000 Inpatient Maximum per Calendar Year	
<b>Outpatient Services</b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	24 Visits Combined per Calendar Year		24 Visits Combined per Calendar Year	
<b>Severe Mental Illness<sup>1</sup></b> Specified Diagnosis only	80% after Deductible	Not covered	90% after Deductible	Not covered



# PacifiCare SignatureOptions<sup>SM</sup> (PPO) Plan Options

## Other Outpatient Provider Services (continued)

	PPO Plan U53		PPO Plan U52	
	<i>Participating Provider</i>	<i>Non-Participating Provider</i>	<i>Participating Provider</i>	<i>Non-Participating Provider</i>
<b>Durable Medical Equipment</b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	\$3,000 Combined Calendar Year Maximum		\$3,000 Combined Calendar Year Maximum	
<b>Outpatient Rehabilitation Services<sup>1</sup></b> Speech Physical, Occupational	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	\$5,000 Combined Maximum While Insured		\$2,000 Combined Calendar Year Maximum	
<b>Home Health Care</b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	100 Visits Combined Calendar Year Maximum		100 Visits Combined Calendar Year Maximum	
<b>Neuromuscular Skeletal Disorders<sup>1</sup></b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	\$1,000 Combined Calendar Year Maximum		\$1,000 Combined Calendar Year Maximum	
<b>Prosthetic Devices</b>	80% after Deductible	60% after Deductible	90% after Deductible	60% after Deductible
	\$2,000 Combined Calendar Year Maximum		\$2,000 Combined Calendar Year Maximum	

## Pharmacy Benefit Options

	HCB <sup>4</sup>	
<b>Generic Formulary</b>	\$5 retail	\$10 mail order
<b>Formulary Brand Name</b>	\$15 retail	\$25 mail order
<b>Non-Formulary</b>	\$30 retail	\$45 mail order
	\$1,000 Copayment maximum for mail order per Covered Person per Calendar Year. Mail order supply of up to 3 Prescription Units or up to 90 days.	

<sup>1</sup>Copayment-based services do not apply to neuromuscular skeletal disorders, outpatient rehabilitation services other than a Physician Office Visit, chemical dependency services, mental illness services, diagnostic services, including, but not limited to, MRI, PET, CAT scans, ultrasounds except for maternity care, nuclear medicine studies, EKG, ECG, EMG or EEG services and surgery performed in the Physician's office.

<sup>2</sup>Coinurance for this type of Covered Expense does not apply toward the Coinsurance Maximum, and the percentage payable for the type of Covered Expense does not increase to 100% due to satisfaction of any Coinsurance Maximum.

<sup>3</sup>Other than physician office visit.

<sup>4</sup>With generic edit - Brand-name drugs which have Generic equivalents are considered non-Formulary, and Covered Person pays the non-Formulary Copayment.

## Supplemental Rider Options

<b>Acupuncture</b>	Calendar Year Maximum \$5,000. The percentage payable for Covered Expense is subject to the Coinsurance percentage shown in the Schedule of Benefits.
<b>Hearing Aid Services</b>	Benefit maximum while insured is \$2,000. The percentage payable for Covered Expense is subject to the Coinsurance percentage shown in the Schedule of Benefits.
<b>Mental Illness</b> (except Severe Mental Illness)	The Physician Office Copayment does not apply to Mental Illness. The percentage payable for Covered Expense is subject to the Coinsurance percentage shown in the Schedule of Benefits.  Inpatient - 15 days per Calendar Year combined Maximum (each inpatient day may be substituted for 2 half-days of outpatient treatment).  Outpatient - 20 visits per Calendar Year Maximum.

The following mandated offer riders are also available in the plans: Specialized Footwear, Infertility Treatment and Orthotic Device. Please ask your PacifiCare Sales Representative for more information.



# Senior Supplement Plan

## General Information

Plan Year Deductible

Lifetime Maximum Benefit

## Senior Supplement Plan F with Riders

Plan pays Medicare Part A & B Deductible

Unlimited

## Medical Benefits

### Hospital

■ Inpatient

No charge, if Medicare approved –  
plus additional 365 lifetime days beyond Medicare

■ Outpatient

No charge, if Medicare approved

### Emergency Services

● Inside the U.S.

No charge, if Medicare approved

● Outside the U.S.

\$250 Deductible; 20% and amounts over the \$50,000 lifetime maximum

### Skilled Nursing Facility

■ Up to 100 days each benefit period in a Medicare-approved facility

No charge, if Medicare approved

■ From 101 – 365 days

Not covered

### Acupuncture

Not covered

### Hospice care

Not covered by plan; virtually covered in-full by Medicare

■ Physician/Preventive Care

No charge, if Medicare approved

■ Office/Home Hospital Visits

■ Gynecological Exam (Pap test)

■ Allergy Testing/Treatment

■ Immunization/Inoculation

■ Diagnostic X-ray/Lab

■ Ambulance

■ Home Health Care Services

■ Mental Health Inpatient

■ Mental Health Outpatient

■ Speech Therapy

■ Physical Therapy

■ Occupational Therapy

■ Biofeedback

■ Chiropractic

■ Durable Medical Equipment

■ Heart Transplants

■ Kidney Dialysis and Transplants


■ Podiatrists' Services

■ Christian Science Treatment

■ Unreplaced Blood and Blood Products

■ Diabetes Services (includes diabetes self-management training, glucose monitors, test strips, lancets, etc.)





# Senior Supplement Plan

## Hearing Services

Senior Supplement Plan F with Riders	
Exam	\$10 Deductible; \$80 benefit limit per insured every 12 months
Hardware	\$500 hearing aid allowance per insured every 36 months

## Vision Care

Exam	\$10 Deductible; \$80 benefit limit
Hardware	\$75 frame and lenses or contact allowance every 24 months

## Prescription Drugs

Retail (30-day supply)	\$5 generic \$15 brand \$30 non-Formulary
Mail Order (90-day supply)	\$10 generic \$25 brand \$45 non-Formulary  \$1,000 Copayment maximum per insured per Calendar Year for mail order supply of up to 3 Prescription Units or up to 90 days.

Provider Accepts Assignment	The PacifiCare Senior Supplement plan pays the Medicare Coinsurance amounts for all providers that accept assignment. Payment is limited to 100% of the difference between the amount paid by Medicare and Medicare's approved amount. NOTE: Senior Supplement payment plus Medicare payment will be accepted as payment in full.
Provider Does Not Accept Assignment	The PacifiCare Senior Supplement plan pays both the Medicare Coinsurance amounts and any Medicare "excess" amounts – the additional amount charged by providers that do not accept assignment, after Medicare's payment based on the plan design listed above and within the limits of applicable law.

\* If benefits are payable by Medicare and you seek a provider who accepts Medicare assignment, covered services will be paid in full. However, if you use a provider who does not accept Medicare assignment, you may be responsible for balances remaining after payment has been made by PERSCare or PERSChoice and Medicare. PacifiCare Senior Supplement benefits (including optional Rx rider, hearing rider and vision rider benefits) listed above reflect the total benefits payable by Medicare Parts A & B and the Senior Supplement plan. Please note that the Senior Supplement benefit payment is determined by Medicare's approval of covered services. If denied by Medicare, Senior Supplement does not become the primary payer of any benefits except for the additional hospital benefits, foreign emergency coverage and prescription drug, hearing and vision riders listed above. For the PacifiCare Senior Supplement plan, please refer to the Group Health Insurance Certificate for a listing of services, limitations, exclusions and a description of the terms and conditions of coverage. If this comparison conflicts in any way with the policy issued to the enrolled group, the policy prevails.




# Secure Horizons Retiree Plan

## Benefits Summary

### Uniform CA M+C Plan Design

Annual Maximum	N/A
Hospitalization	
■ Inpatient	Covered in full
● Outpatient	Covered in full
Office Visit Copay	\$10
Skilled Nursing	Covered in full up to 100 days/benefit period
Home Health Care	Covered in full
Mental Health Inpatient Substance Abuse	Covered in full 190 days lifetime
Mental Health Outpatient Substance Abuse	\$10 visit, unlimited visits through PCP referral
Emergency/Urgent Services	Covered in full worldwide
Vision	
■ Refractive Exam	\$10
■ Eyewear	Covered in full at contracting providers, lenses every year, frames every year if needed (\$75 allowance max)
Hearing	
● Exam	Covered in full
■ Aids	\$300 per Member every 24 months
Chiropractic	\$10 visit, 12 visits every 12 months – self referral through ASHP
Rx Retail Copay (30-day supply)	
■ Generic	\$5
■ Brand	\$15
■ Non-Formulary	\$30
Rx Mail Order (90-day supply)	
■ Generic	\$10
■ Brand	\$25
■ Non-Formulary	\$45
	\$1,000 Copayment maximum per Member per Calendar Year for mail order supply of up to 3 Prescription Units or up to 90 days.
Transportation	Not covered
Dental	Optional discount plan or PPO
Allergy Testing, Treatment, Serum	\$10




# Secure Horizons Retiree Plan

## Benefits Summary (continued)

<b>Family Planning</b> <ul style="list-style-type: none"><li>■ IUD – Device</li><li>■ IUD insertion or removal</li><li>■ Infertility services</li><li>■ GIFT/ZIFT</li><li>■ Vasectomy</li><li>■ Tubal ligation</li><li>■ Injectable contraceptives (Depo-Provera – 90-day supply)</li><li>■ Implantable contraceptives (Norplant)</li></ul>	Per Medicare guidelines
<b>Blood and Blood Products</b>	Covered in full – no limit
<b>Hepatitis B Vaccine</b>	Covered in full when Medically Necessary or for occupational risk
<b>Immunizations, including for travel</b>	\$10





At PacifiCare, we offer health care coverage with  
a choice of features to suit everyone. The plans  
here are a sampling for your consideration.

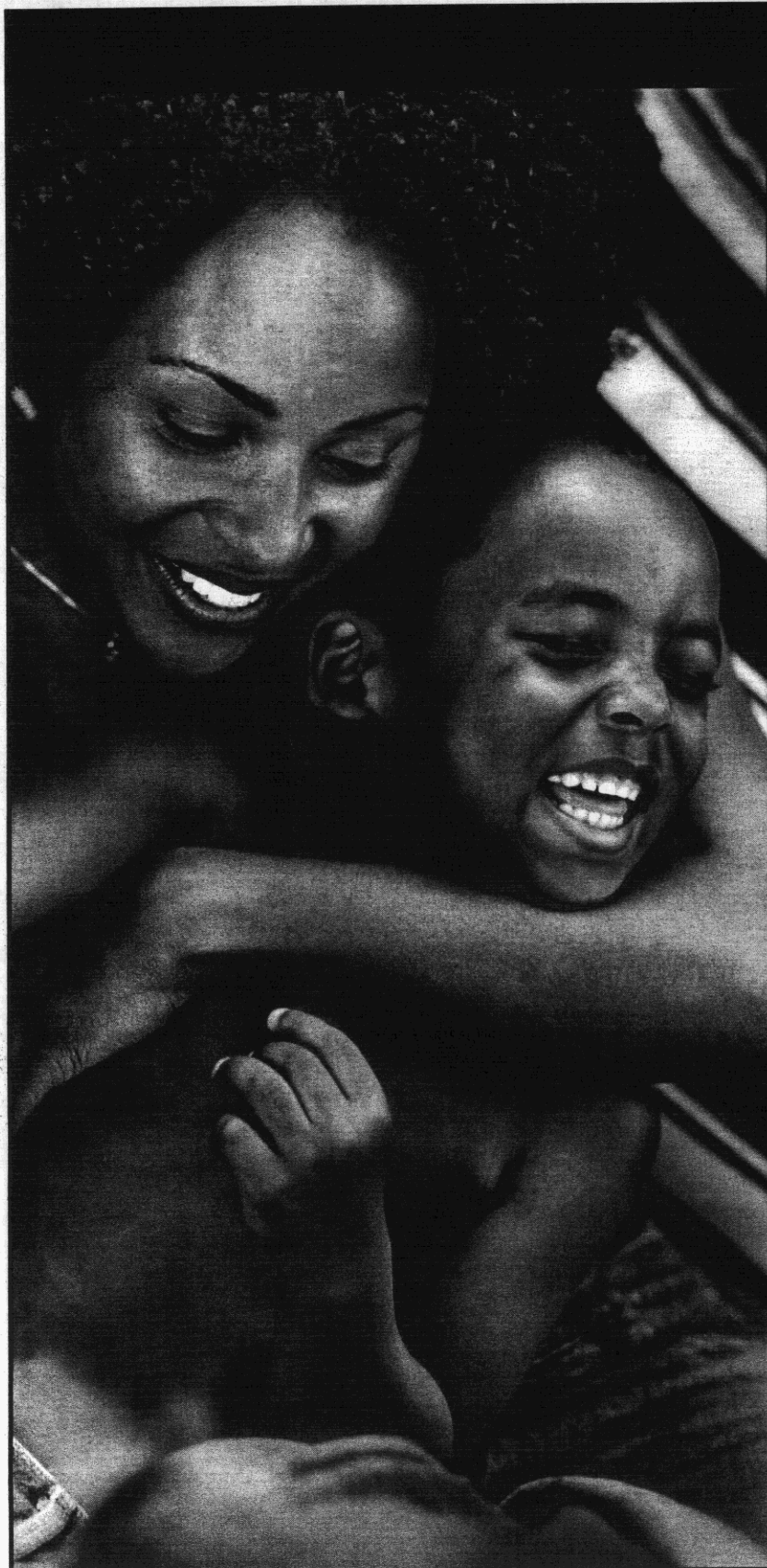
*PacifiCare*®

Contact your Account Representative for more information.



# PERKS

**PacifiCare®**



*Healthy Moms & Kids*

*Weight & Fitness*

*Pharmacy & Personal Care*

*Complementary & Alternative Care*

*Vision & Hearing*

*Healthy Home*

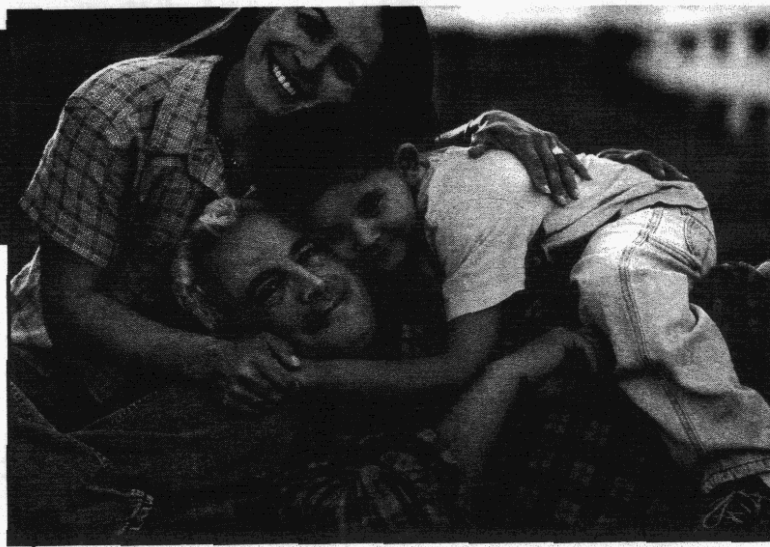
*Child Safety*

*Personal Safety*

For more information on the  
PacifiCare Perks<sup>SM</sup> program, call  
PacifiCare Customer Service at

**1-800-531-3341**

[www.pacificare.com](http://www.pacificare.com)



# PACIFICARE OFFERS

## Pharmacy & Personal Care

As part of the PacificCare Perks<sup>SM</sup> program, through Prescription Solutions<sup>®</sup>, discounts are available for pain relievers, cold and cough remedies, children's vitamins, and much more!

- Discounts on nearly 500 top-selling name brand pharmacy and personal care products
- Shipping at no additional charge with a mail-service prescription
- Convenient home delivery (within 5-7 days)
- Order by phone, fax, mail or online
- Pharmacist available to answer questions

PacificCare Perks<sup>SM</sup> is a members-only program which includes discounts of 5 to 40 percent through vendor arrangements for family safety products, health clubs, alternative care, vitamins, vision care services, natural body care products and much more!

## Healthy Moms & Kids

PacificCare cares about mothers and children. We want them to be happy and healthy. With PacificCare Perks<sup>SM</sup>, our members have access to discounts for:

- Gymboree<sup>®</sup> Play and Music programs
- Safe Beginnings<sup>®</sup> family safety products
- ClearPlan Easy<sup>™</sup> fertility monitor rebate
- Breast-feeding accessories
- LifeSign<sup>®</sup> smoking cessation products

## Weight & Fitness

Part of staying healthy is reducing stress, watching your weight and engaging in exercise. Through PacificCare Perks<sup>SM</sup>, you have access to discounts on:

- Weight Watchers programs
- Health club memberships
- DietMate<sup>®</sup> weight loss aid
- Spa Wish gift certificates

## Complementary & Alternative Care

Through our special arrangement with American Specialty Health Networks' Affinity program, you'll have access to:

- Discounts on usual and customary fees for participating chiropractors, massage therapists and acupuncturists
- Health and Wellness products offered at up to 40 percent below the suggested retail price, including:
  - Vitamins, minerals and daily formulas
  - Herbal and dietary supplements
  - Sports nutrition products
  - Natural body care products
  - Audio and video tapes on yoga, Tai Chi, massage and more

# SPECIAL PROGRAMS JUST FOR YOU.

## Vision & Hearing

PacifiCare is focused on enhancing vision programs available to our members. Through vendor arrangements discounts are available on:

- Corrective laser eye surgery (not available in California, due to regulatory requirements)
- Comprehensive eye exams
- Contact lenses and frames

## Hearing Care & Services

PacifiCare is offering members a program that will provide special discounted rates on hearing exams, products and services. Through a vendor arrangement with Newport Audiology Centers the following discounts apply (hearing care services currently not available in Oklahoma):

- \$25 for comprehensive hearing test
- Hearing aid evaluation at no additional charge
- 35 percent discount on hearing aids
- 2-year comprehensive warranty, including loss and damage coverage
- Patient education on products purchased through Newport Audiology Centers
- Hearing aid service
- Written report and audiogram may be sent to your contracted physician upon request

## Healthy Home

PacifiCare is committed to helping you provide a safe and healthy home environment for your family. Through vendor arrangements we are able to offer discounts on:

- Air purifiers
- Water filters
- Allergy-free bedding
- Fire extinguishers

## Child Safety

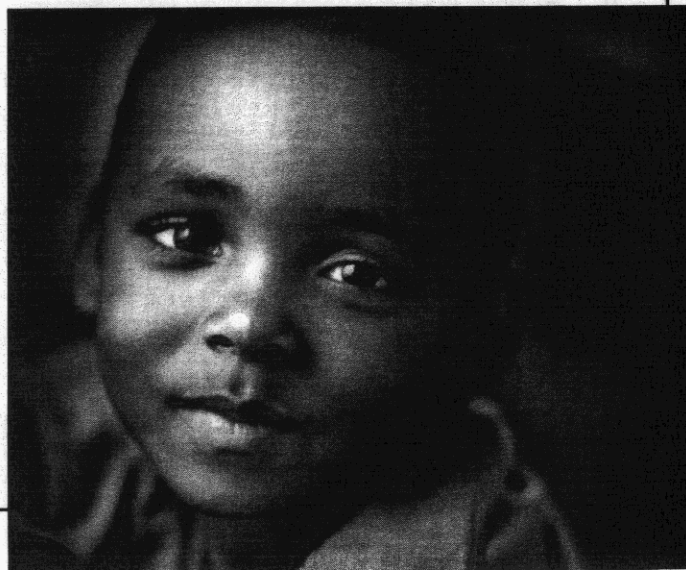
Child Safety, a component of our PacifiCare Perks<sup>SM</sup> program, offers discounts through vendor arrangements on a variety of products designed to make your family's daily living more enjoyable, and help protect your children from harm's way whether at home or away. Discounts are available on:

- Crib mattresses
- Safety gates
- Outlet covers
- Door locks
- Smoke detectors

## Personal Safety

PacifiCare is pleased to offer information, products and services that may help you live a safer lifestyle, as well as provide suggestions for a safe environment for you and your family. Through vendor arrangements, we offer discounts on selected products such as:

- First-aid kits
- Extra water storage equipment
- Emergency and disaster preparedness kits
- Home test kits





# PACIFICARE PERKS<sup>SM</sup>



Start living healthier today – take advantage of health products, services and programs through Pacificare Perks.<sup>SM</sup>

1-800-531-3341 or [www.pacificare.com](http://www.pacificare.com)

**If you are hearing impaired, please call one of the following numbers as appropriate:**

**California: 1-800-442-8833**

**Colorado: 1-800-659-2656**

**Arizona, Nevada: 1-800-360-1797**

**Texas, Oklahoma: 1-800-557-7595**

**Oregon, Washington: 1-800-786-7387**

*Special arrangements are only for Pacificare enrollees whose plan benefits do not include products/services described or whose Pacificare plan benefits covering these products/services have reached the allowable maximum. Vendor participation and actual, usual and customary charges may vary, exclude certain items or require additional charges. Pacificare does not endorse or guarantee products noted.*

Pacificare products and services are offered by one or more of the following Pacificare family of companies: Health plan products and services are offered by Pacificare of Arizona, Inc., Pacificare of California, Pacificare of Colorado, Inc., Pacificare of Nevada, Inc., Pacificare of Oklahoma, Inc., Pacificare of Oregon, Inc., Pacificare of Texas, Inc., Pacificare of Washington, Inc., Pacificare Behavioral Health of California, Inc. and Pacificare Health Insurance Company of Micronesia, Inc. Indemnity insurance products offered in California are underwritten by Pacificare Life and Health Insurance Company. Indemnity insurance products offered in Arizona, Colorado, Nevada, Washington, Oregon, Texas and Oklahoma are underwritten by Pacificare Life Assurance Company. Other products and services are offered by Pacificare Health Plan Administrators, Inc., RxSolutions, Inc., and Pacificare Behavioral Health, Inc. Pacificare® is a federally registered trademark of Pacificare Life and Health Insurance Company.

## Attention PacifiCare Members

Our team of knowledgeable Customer Service Associates, including Spanish-speaking associates, are available to help you with prompt answers to your questions.

Call us toll-free at  
**1-800-531-3341**

### Call PacifiCare if you ...

1. Receive a bill from a provider
2. Need to obtain a new ID card
3. Need help in finding a local pharmacy
4. Want assistance with getting a referral to a specialist
5. Have questions about what is or is not a covered benefit
6. Want to change your primary care physician or medical group (if applicable)
7. Would like to enroll in a Health Management program, such as:
  - Stop Smoking<sup>SM</sup>
  - Taking Charge of Diabetes®
  - Taking Charge of Your Heart Health®
8. Want to inform PacifiCare that you accessed emergency medical care services
9. Want to know what prescription medications are included on the PacifiCare Formulary
10. Want health-related information in Spanish, visit [www.pacificarelatino.com](http://www.pacificarelatino.com)

### Thank you for being a PacifiCare Member!

If you are hearing impaired, please call one of the following numbers as appropriate:

California: 1-800-442-8833; Colorado: 1-800-659-2656; Arizona, Nevada: 1-800-360-1797;

Texas, Oklahoma: 1-800-557-7595; Oregon, Washington: 1-800-786-7387

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## Atención Miembros de PacifiCare

### Llame a PacifiCare si ...

1. Recibe una factura de un proveedor
2. Necesita obtener una nueva tarjeta de identificación
3. Necesita ayuda para encontrar una farmacia en su localidad
4. Desea asistencia para obtener una referencia a un especialista
5. Tiene dudas sobre si un beneficio está cubierto o no lo está
6. Desea cambiar su doctor de atención primaria o su grupo médico
7. Le gustaría registrarse en un programa de Mejoramiento de la Salud, como por ejemplo:
  - Stop Smoking<sup>SM</sup> (Programa "Deje de Fumar")
  - Taking Charge of Diabetes® (Programa "Trate du Diabetes")
  - Taking Charge of Your Heart Health® (Programa "Cuide la Salud de su Corazón")
8. Desea informar a PacifiCare que recibió servicios de atención médica de emergencia
9. Desea saber cuáles medicamentos de prescripción están incluidos en el formulario de PacifiCare
10. Si desea información en español, visitenos en [www.pacificarelatino.com](http://www.pacificarelatino.com)

Nuestro equipo de expertos asociados de servicio a clientes, que incluyen asociados de habla hispana, está disponible para ayudarle proporcionando respuestas oportunas a sus preguntas

Llámenos a la línea telefónica gratuita **1-800-730-7270**

### ¡Muchas gracias por ser Miembro del Plan de Salud de PacifiCare!

Si tiene incapacidades auditivas, por favor llame a uno de los siguientes números:

California: 1-800-442-8833; Colorado: 1-800-659-2656; Arizona, Nevada: 1-800-360-1797;

Texas, Oklahoma: 1-800-557-7595; Oregon, Washington: 1-800-786-7387

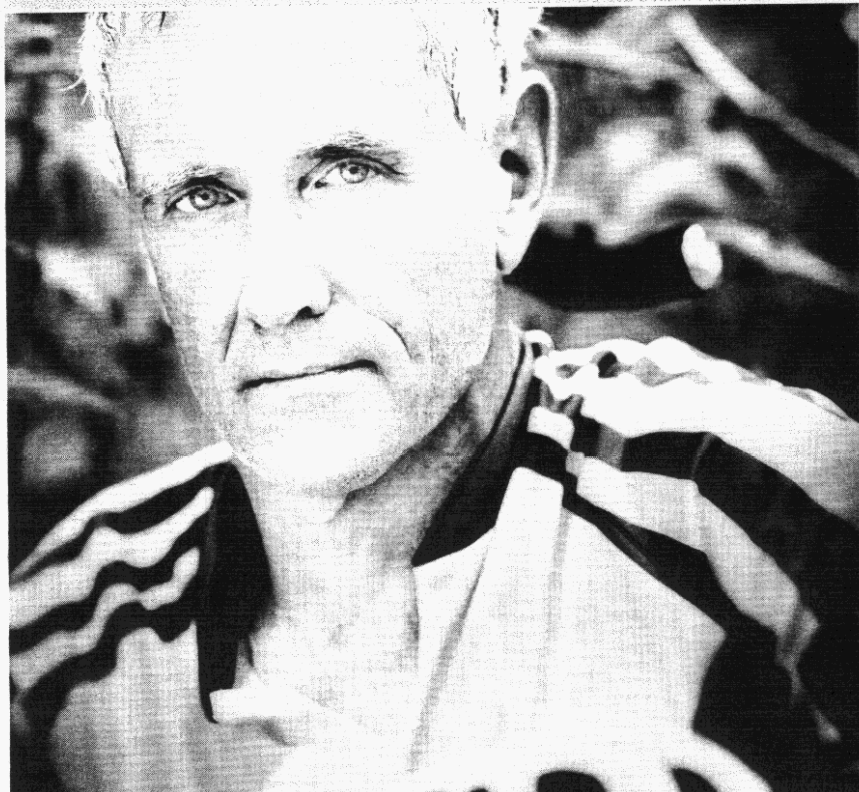
**Exención de responsabilidades** - Los productos y servicios de PacifiCare se ofrecen a través de una o más de las siguientes familias de compañías de PacifiCare: Los productos y servicios del Plan de Salud se ofrecen a través de PacifiCare of Arizona, Inc., PacifiCare of California, PacifiCare of Colorado, Inc., PacifiCare of Nevada, Inc., PacifiCare of Oklahoma, Inc., PacifiCare of Oregon, Inc., PacifiCare of Texas, Inc., PacifiCare of Washington, Inc., PacifiCare Dental of Colorado, Inc., PacifiCare Behavioral Health of California, Inc., PacifiCare Health Insurance Company of Micronesia, Inc. y PacifiCare Dental (en California). Los productos de seguros de indemnización (incluso los productos PPO) que se ofrecen en California son suscritos por PacifiCare Life and Health Insurance Company. Los productos de seguros de indemnización (incluso los productos PPO) que se ofrecen en Arizona, Colorado, Nevada, Washington, Oregon, Texas y Oklahoma son suscritos por PacifiCare Life Assurance Company. Otros productos y servicios se ofrecen a través de PacifiCare Health Plan Administrators, Inc., RxSolutions, Inc., y PacifiCare Behavioral Health, Inc. PacifiCare® es una marca registrada federalmente de PacifiCare Life and Health Insurance Company.

PacifiCare®

# HealthCredits<sup>SM</sup>



New tools to help you...



Lose Weight.

Get Strong.

Feel Better.



## Introducing HealthCredits<sup>SM</sup>

PacifiCare Health Plan Administrators, Inc., is proud to announce a new program called HealthCredits<sup>SM</sup> available to PacifiCare commercial medical members. This exciting new program provides you with tools that can help contribute to your overall health and well-being. Built upon some of the latest in cutting-edge technology, HealthCredits<sup>SM</sup> is one of the premier motivational and interactive tools available to help you make better health and lifestyle management choices.

One of the most exciting components of HealthCredits<sup>SM</sup> is PacifiCare's VirtualHealthClub<sup>SM</sup>.



## PacifiCare VirtualHealthClub<sup>SM</sup>

Whether you want to lose weight permanently, build muscle, have more energy, become more optimistic or just simply get more out of life, PacifiCare's VirtualHealthClub<sup>SM</sup> can help you. Utilizing some of the latest innovative Web-based technology, this program takes into consideration your unique needs, lifestyle and personal preferences and creates a plan customized exclusively for you. By bringing together the combined expertise of doctors, psychologists, athletic coaches and nutritionists, the PacifiCare VirtualHealthClub<sup>SM</sup> unites aspects of health and wellness to help you make a plan to find the lifelong results you have been searching for.

And, while you are moving along the road to better health, you can earn credits toward quarterly drawings and special values on health and fitness items to help encourage you to stay committed to your plan.

## Get Started!

In order to help you determine your goals, take our Health Risk Assessment before you get started. The Health Risk Assessment will help you identify any specific health risks, determine your readiness to change, evaluate your lifestyle or behaviors, and provide you with suggestions and information about your own specific needs. Armed with this important baseline information, you're ready to set your goals and get started.

Visit [www.pacificare.com](http://www.pacificare.com) to take the Health Risk Assessment.

## Personalized Plans

PacifiCare's VirtualHealthClub<sup>SM</sup> gives you the ability to design and customize aspects of your roadmap to address your own personal health and fitness goals.

### Customized Fitness Program

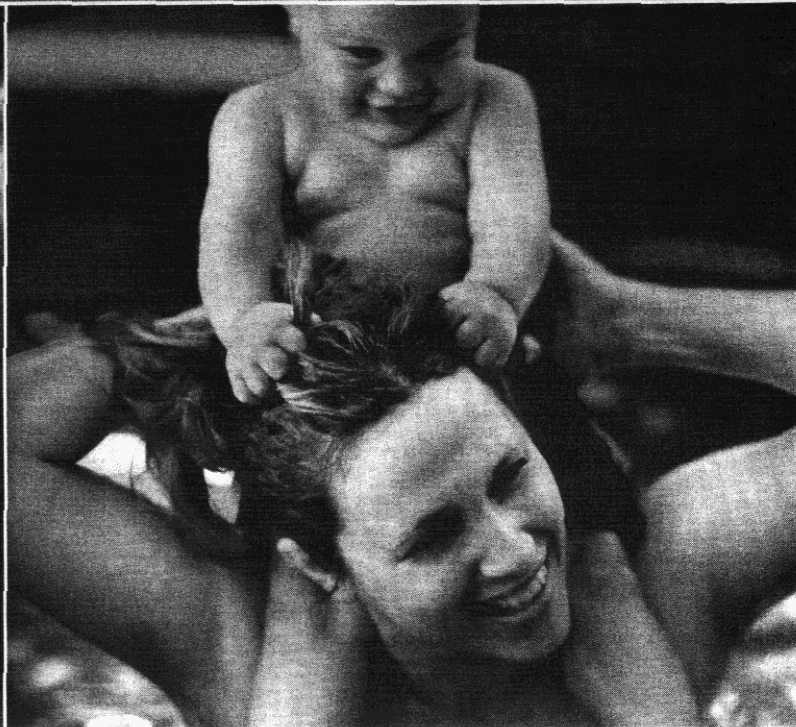
PacifiCare's VirtualHealthClub<sup>SM</sup> can give you the boost you need to start – and stick with – a progressive exercise plan.

- Build a customized workout program that fits your own personal needs and works best for you.
- Use the Virtual Exercise section for an online demonstration for hundreds of exercises to make sure you are using the proper technique and getting the most benefit out of your personal workout plan.

### Interactive Meal Planner

Regardless of your specific health and wellness needs, PacifiCare's VirtualHealthClub<sup>SM</sup> has a fun, interactive Meal Planner that offers expertise to meet your specific diet or nutritional goals.

- Easily track your daily caloric intake and food servings.
- Plan meals and create shopping lists specific to your individual needs and preferences.



## Life Skills Plans

A truly effective health and wellness plan just wouldn't be complete without addressing the importance of mental and emotional well-being. The life skills plans help you deal more effectively with the inevitable challenges of everyday life, such as school issues, financial concerns or relationship matters.

- Take a quick life skills assessment to help you discover your strengths and weaknesses.
- Choose from a selection of plans offered in the areas where you would like to see improvement in your personal life.

## Access to Personal Coaches

PacifiCare's VirtualHealthClub<sup>SM</sup> offers access to a nationwide team of qualified coaches with professional expertise in exercise, nutrition and life-management issues.

- Ask questions anytime and get fast, personalized responses from expert coaches.
- You can also get information from registered dietitians, nutritionists, doctors and psychologists.

## More HealthCredits<sup>SM</sup>

In addition to the credits you can earn in the PacifiCare VirtualHealthClub<sup>SM</sup>, HealthCredits<sup>SM</sup> also awards credits for participating in Health and Disease Management programs specific to your unique needs.

To join the PacifiCare VirtualHealthClub<sup>SM</sup>, visit [www.pacificare.com](http://www.pacificare.com). You will need a password to access the PacifiCare VirtualHealthClub<sup>SM</sup> and HealthCredits<sup>SM</sup>. To get a password, you should logon to MyPacifiCare member portal, which also requires a password. Once you have access you may view your credit totals and all of the features within the PacifiCare VirtualHealth Club<sup>SM</sup>.

Remember, in addition to the potential rewards of enhanced health, higher energy levels and personal satisfaction you can achieve through this program, there's also the added incentive of quarterly drawings and special values on health and fitness products to keep you motivated.



PacifiCare HealthCredits<sup>SM</sup> is offered by PacifiCare Health Plan Administrators, Inc. Programs subject to availability by state; components may change. HealthCredits<sup>SM</sup> is available to PacifiCare members. Physicians must direct enrollment in Disease Management programs; other requirements may apply.

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